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C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 000686

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TAGS: [PGOV](#) [PREL](#) [HK](#) [CH](#) [PINR](#) [PHUM](#)
SUBJECT: HONG KONG NEWSPAPERS REPORT A READJUSTMENT OF
CHINA'S HONG KONG POLICY

Classified By: E/P Chief Simon Schuchat. Reasons: 1.4(b,d).

11. (C) Summary and Comment: The "Oriental Daily" and its sister publication "The Sun" reported on February 17 that during a January 6 Politburo Standing Committee meeting, members reviewed and readjusted policy towards Hong Kong. Beijing concluded that the failure of the reform package last December had been a result of "intervention by foreign forces." "The Sun" also alleged that Chinese leaders had begun to raise doubts about Chief Executive (CE) Donald Tsang's performance, but added that without viable

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alternative CE candidates, Beijing did not intend to replace Tsang. Comment: The reports, which seem intended to weaken

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Donald Tsang, may have its source among Hong Kong's old-style "patriotic" leftists, who were never enthusiastic about Tsang and are, we often hear, gravely dissatisfied and unhappy with his performance so far. End Summary and Comment.

Politburo Reassesses Policy Towards Hong Kong

12. (C) The "Oriental Daily" and its sister publication "The Sun" reported on February 17 that during a January 6 Politburo Standing Committee meeting, members reviewed and readjusted policy towards Hong Kong. (Note: Both papers have a reputation for publishing sensational articles, but are also known to have good mainland contacts. End Note.) Standing Committee members concluded that the failure of the reform package last December had been primarily a result of "intervention by foreign forces." According to sources interviewed by the "Oriental Daily," the Standing Committee's new strategy towards Hong Kong will be to "unite those (people) who ought to be united, to struggle against those (people) who ought to be struggled against, and to put aside those (issues) which ought to be put aside."

13. (SBU) The "Oriental Daily" said that the opposition, including individuals such as former Democratic Party Chairman Martin Lee, had colluded with "foreign forces" and had sabotaged the principle of "One Country, Two Systems". As a result, reported the newspaper, the opposition was now (sic) perceived as the enemy. However, Beijing would not view all democrats as the enemy and would continue to lobby more moderate democrats. The article cited the Central Government Liaison Office's (CGLO) Lunar New Year reception invitation to Article 45 Concern Group members and some democrats as evidence that the central government would continue to reach out to select democrats.

14. (C) "The Sun" alleged that Chinese leaders had begun to raise doubts about Chief Executive Donald Tsang's performance. Despite Tsang's high poll ratings, leaders in Beijing noted that he had failed to implement political reforms, to launch any new economic measures, or to successfully promote the West Kowloon Cultural District. (Comment: It seems unlikely that the CCP Standing Committee would care very much about the fate of the West Kowloon Cultural District, in which Beijing authorities do not have any stake. End Comment.) Despite these criticisms, the paper noted that Tsang still had job security; Beijing had not yet found any better CE candidates.

Beijing Unlikely to Reverse Reconciliation Policy

15. (C) Political commentator and National People's Congress (NPC) delegate Allen Lee told poloff on February 17 that among pro-HKG figures, there was a growing chorus of dissatisfaction with CE Tsang's performance. Yesterday, during a meeting of NPC delegates, Lee said that he was surprised at how openly pro-Government politicians such as Jasper Tsang, former Chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), had criticized Tsang. "They (pro-Beijing figures) do not like Tsang," said Lee.

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16. (C) Chris Yeung, "South China Morning Post" Editor-at-Large, told us on February 17 that it was not surprising, if the articles were accurate, that Chinese leaders would reassess their policy towards Hong Kong. In the aftermath of the HKG's failure to pass the reform package, Yeung said that it would be natural for the party to assess the success of its Hong Kong policy prior to the NPC and Chinese People's Political Consultative Conference (CPPCC) meetings in early March. He did not expect any sharp reversal of the reconciliation strategy pursued by Tsang and Beijing in the post-C.H. Tung era. Instead, Yeung said that there would be more minor adjustments of strategy, including

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closer monitoring of the Article 45 Concern Group.
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